DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Division of Housing Policy Development

1800 Third Street, Suite 430 P. O. Box 952053 Sacramento, CA 94252-2053 (916) 323-3177 / FAX (916) 327-2643 www.hcd.ca.gov



October 19, 2007

Mr. Gary Halbert, Director Development Services City of Santee 10601 Magnolia Avenue Santee, CA 92071

Dear Mr. Halbert:

RE: Review of the City of Santee's Draft Housing Element

Thank you for submitting the City of Santee's draft housing element received for the Department's review on August 20, 2007 along with additional revisions on October 17, and 18, 2007. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). Telephone conversations with you, your staff, Ms. Melanie Kush, City Planner and Mr. Rick Brady, Associate Planner, and your consultant, Ms. Veronica Tam, facilitated the review.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include more detailed analyses of existing housing needs, and governmental constraints and strengthen programmatic commitments. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates Santee's cooperation throughout the course of the review and is available to assist the City in addressing statutory requirements. If you have any questions, or wish to schedule a site visit, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,

Cathy E. Creswell Deputy Director

atty & Creswell

Enclosure

APPENDIX CITY OF SANTEE

The following changes would bring the City of Santee's housing element into compliance with Article 10.6 of the Government Code. The Government Code is cited to support each recommended change.

Housing element information is available on our website: www.hcd.ca.gov/hpd, which may be of assistance. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. The Housing Elements section contains the Department's publication, Housing Element Questions and Answers (Qs & As), the Government Code addressing State housing element law, and other resources.

A. Housing Needs, Resources, and Constraints

The housing element shall Include an analysis and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)). Units allowed to be counted towards the RHNA are units which were built prior to January 1 of the year the SANDAG RHNA allocation period began.

<u>Extremely Low-Income</u> – In accordance with recently enacted legislation (Chapter 891, Statutes of 2006), the element must identify <u>and</u> analyze extremely low-income households existing and projected needs. While the element includes information for the existing housing needs of extremely low-income households, it must still quantify and describe their projected housing needs. The element may either use available census data to calculate the number of extremely low-income households, or presume 50 percent of the very low-income households qualify as extremely low-income households.

1. Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).

Santee has a regional housing need of 1,381 housing units for the current planning period, of which 558 units are for lower-income households. To address this need, the element relies on recent construction, a substantial rehabilitation project (i.e., Shadow Hills) and vacant sites; however, to demonstrate the adequacy of this strategy to accommodate the City's share of the regional housing need, the element must include more detailed analysis, as follows:

Alternative Adequate Sites – Pursuant to Government Code Section 65583.1, to credit the rehabilitation of the Shadow Hills Apartments toward the City's share of the regional housing need, the element must include a more detailed analysis. For example, the element must demonstrate the units were determined to be unfit for human habitation and whether tenants were given the right to reoccupy the units (see the enclosed checklist for your assistance).

Suitability and Availability – The element should include a detailed discussion of the suitability and availability of the sites identified in the Town Center Specific Plan. For example, this analysis should address any timing or build out constraints, the extent to which existing uses may impede development in the planning period and whether any conditions would prevent the development of the identified sites given their ownership by the County.

Zoning for a Variety of Housing Types – Pursuant to recently enacted legislation (Chapter 891, Statues of 2006), the element must identify zones that encourage and facilitate the development of single-room occupancy units (SROs) and supportive housing. For emergency shelters, the element describes emergency shelters are only permitted on eight parcels on Woodside Avenue. To demonstrate realistic opportunities for emergency shelters in the planning period, the element should include a more detailed description of the suitability of these sites or include programs to identify additional opportunities.

 Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures (Section 65583(a)(4)).

Land Use Controls – The element identifies parking standards for multifamily development at 1.5 spaces for studio and one bedroom units, of which 1 space must be in a carport or garage (not including a visitor requirement). The element should include a detailed analysis demonstrating the impact of these standards on the cost and supply of housing and, if necessary, a program to address and remove or modify the potential constraint.

Processing and Permit Procedures – The element notes multifamily uses are subject to a development review permit approved by the City Council. The element should also include a more detailed analysis of all decision-making criteria. Specifically, the element should identify findings of approval for the development review permit and analyze them for their potential impact on approval certainty. This analysis should also describe all the steps of the approval process. Please refer to the Department's Qs and As publication.

Constraints on Housing for Persons with Disabilities – The element analyzes various potential constraints on housing for persons with disabilities, such as the availability of zoning for residential care facilities for less than six persons. However, this analysis should be more detailed to address this statutory requirement. For example, the analysis should identify and analyze any occupancy standards, spacing requirements and definitions of family. This analysis should also provide more discussion on the City's reasonable accommodation procedure (i.e., Minor Exception process), including more details on decision-making criteria and determine its consistency with specific requirements for reasonable accommodation procedures (see the enclosed model

- 3 -

B. Housing Programs

1. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, emergency shelters, and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

As noted in finding A2, the element does not include a complete analysis of the Shadow Hills Apartments pursuant to Government Code Section 65583.1 and the adequacy of sites and zoning cannot be established. Based on the results of a complete analysis, the City may need to add or strengthen programs to address a shortfall of sites or zoning available to encourage a variety of housing types. Also, the element must be strengthened as follows:

<u>Program 18</u> – Since zoning is not available for identified sites (page 4-3 to 4-5), the element currently has a shortfall of adequate sites. To address this shortfall, the element includes Program 18 to amend the Town Center Specific Plan and create a new designation and zone district to permit a minimum density of 30 units per acre on sites A and B; however, to address statutory requirements, this program must be strengthened to include acreage, ensure residential capacity at the same level identified in the inventory (i.e., 693 units), ensure appropriate development standards to achieve the planned maximum residential densities at 40 units per acre and permit residential uses by right, pursuant to Government Code Section 65583.2(h) and (i) on the identified sites.

<u>Program 21 (Transitional Housing)</u> –The element states the City will allow transitional housing for 7 or more persons with a conditional use permit in certain residential zones and that conditions may include hours of operation, security, loading requirements and management. Transitional housing is a residential use and should not require a conditional use permit when proposed in a residential zone. For example, transitional housing that is a multifamily use proposed in a multifamily zone should be treated as a multifamily use. As a result, the element should strengthen Program 21 to revise zoning by a specific date for transitional housing as a permitted use without the above listed conditions in residential zones.

2. Provide Assistance in the development of adequate housing to meet the needs of extremely low, very low-, low-, and moderate-income households.

In accordance with recently enacted legislation (Chapter 891, Statutes of 2006), the element must include implementation actions to assist the development of housing for

The element mentions the amount of funds anticipated in the City's Redevelopment Low and Moderate Income Housing Fund (LMIHF) and generally lists the fund as a potential source for some implementation actions. The element should also include a detailed description of the planned uses for the LMIHF and should ensure expenditures are consistent with the needs identified in the element (Health and Safety Code Section 33490).

<u>Program 13 (Collaboration with Nonprofit Organizations)</u> – The program should include quantified objectives for the planning period.

<u>Program 16 (Santee Redevelopment Project)</u> – Essentially, the program only commits to report and comply with Redevelopment Law. The program should be amended with specific actions toward objectives including multifamily rental homes for families.

3. The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).

As noted in finding A3, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(6)(B)).

The element generally discusses a public workshop and special invitation to groups that represent lower-income households and people with special needs. One public workshop is typically inadequate for a community the size of Santee. At least, the element should be revised to include a list of invited groups, and a more detailed description of how comments received at that meeting were incorporated into the element to demonstrate diligent efforts to achieve public participation.